Roll Call No
Ayes
Noes

HOUSE MOTION

Page 1, between the enacting clause and line 1, begin a new

MR. SPEAKER:

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I move that House Bill 1007 be amended to read as follows:

paragraph and insert:

3 "SECTION 1. IC 4-15-1.5-0.5 IS ADDED TO THE INDIANA 4 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 0.5. "Commission" means the 5 6 state employees and educators appeals commission created by 7 section 1 of this chapter. 8 SECTION 2. IC 4-15-1.5-1 IS AMENDED TO READ AS 9 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. There is hereby 10 created the state employees and educators appeals commission, which 11 shall consist of five (5) members, not more than three (3) of whom shall 12 be adherents of the same political party. One (1) of said the members 13 shall be appointed for a term of one (1) year, one (1) for a term of two 14 (2) years, one of whom (1) for a term of three (3) years, and two (2) for 15 a term of four (4) years. Every A member so appointed shall serve until 16 his the successor shall have been is appointed and qualified. Each A 17 successor shall serve a term of four (4) years. Any A vacancy occurring 18 in the membership of the board for any cause shall be filled by 19 appointment of the governor for the unexpired term. 20 SECTION 3. IC 4-15-1.5-2 IS AMENDED TO READ AS 21 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The members of the 22 commission shall be citizens of the state who are in sympathy with and 23 have knowledge of the practice of professional personnel administration

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in public employment or education with particular appreciation for

fairly and impartially determining the validity of employee appeals. No member of the commission shall be a member of any local, state, or national committee of a political party or an officer in any partisan political club or organization, or shall hold or be a candidate for, any elective public office, and upon acceptance of any such appointment or upon any such candidacy, the term of a member of the commission shall expire. Upon the acceptance of any other remunerative appointment to public office, the term of a member shall expire.

SECTION 4. IC 4-15-1.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The commission shall meet in rooms provided by the personnel department and assume the duties of office.

- **(b)** Three (3) members of the commission shall constitute a quorum for the transaction of business, and a majority of votes cast shall be required for the adoption or approval of any official action.
- (c) The commission shall elect one (1) of the members as the chairman and another member as vice chairman and the persons so elected shall hold office for one (1) year and until their successors are elected and qualified.
 - (d) The commission shall:
 - (1) hold such regular and special meetings each year as it may prescribe by rule or resolution; shall
 - (2) meet on the call of the chairman; and shall
 - (3) hold at least one (1) meeting each month.

Such clerical and staff assistance as is needed by the commission shall be provided through the state director of personnel.

(e) To ensure the independence of the commission as required by section 8 of this chapter, appropriations to support the operations of the commission must be made by separate line item.

SECTION 5. IC 4-15-1.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. The appeals commission is hereby authorized and required to do the following:

- (1) To hear or investigate those appeals from state employees as is set forth in IC 4-15-2, and fairly and impartially render decisions as to the validity of the appeals or lack thereof. Hearings shall be conducted in accordance with IC 4-21.5. Final orders of the commission are mandatory and are not appealable except as provided under IC 4-15-2-35.
- (2) To make, alter, or repeal rules by a majority vote of its members for the purpose of conducting the business of the commission, in accordance with the provisions of IC 4-22-2.
- (3) To recommend to the personnel director such changes, additions, or deletions to personnel policy which the appeals commission feels would be beneficial and desirable.
- (4) To adopt an official seal and prescribe the purposes for which the seal shall be used.
- (5) To hold hearings and make inquiries as it considers

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1	necessary to carry out properly its function and powers.
2	(6) To meet and exercise its powers at any place in Indiana.
3	(7) To conduct a proceeding, a hearing, an investigation, ar
4	inquiry, or an election necessary to the performance of its
5	functions at any place in Indiana. The commission may
6	designate one (1) of its members or an agent as a hearing
7	examiner for any purpose of the duties of this subdivision. The
8	commission may use voluntary and uncompensated services
9	as needed.
0	(8) To appoint staff and attorneys as necessary for the proper
1	performance of its duties. The attorneys appointed under this
2	section may appear for and represent the commission in cour
3	at the direction of the commission.
4	(9) To pay the reasonable and necessary traveling and other
5	expenses of:
6	(A) an employee;
7	(B) a member; or
8	(C) an agent;
9	of the commission.
0	(10) To:
1	(A) issue subpoenas for the:
2	(1) appearance of witnesses; and
3	(2) production of books, papers, records, and documents
4	that may be needed as evidence;
5	in a matter under inquiry; and
6	(B) administer oaths and affirmations.
7	In a case of neglect or refusal to obey a subpoena issued to a
8	person, the circuit or superior court of the county in which the
9	investigation or the public hearing is taking place, upon
0	application by the commission, shall issue an order requiring
1	the person to appear before the commission and produce
2	evidence about the matter under investigation. A failure to
3	obey the order may be punished by the court as contempt. A
4	subpoena, a notice of hearing, or another process of the
5	commission shall be served in the manner prescribed by the
6	Indiana Rules of Trial Procedure.
7	(11) To:
8	(A) publish; and
9	(B) report in full;
0	an opinion in a case decided by the commission.
1	(12) To issue an interlocutory or final order as considered
2	appropriate in the administration of:
3	(A) IC 4-15-2-35; and
4	(B) IC 20-7.5-1.
5	(13) To issue an annual report to the governor.
6	(14) To record a proceeding before:
~	(-i) to record a proceeding before.

(A) the commission;

(B) an administrative law judge for the commission; or

(C) a hearing examiner for the commission.

SECTION 6. IC 4-15-1.5-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) Subject to this chapter, the commission shall organize an office to be called the office of the state employees and educators appeals commission. The office is responsible for the administrative operations of the commission.

- (b) The commission shall hire personnel necessary to perform the duties of the commission.
- (c) The employees of the commission are covered by IC 4-15-2. SECTION 7. IC 4-15-1.5-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. The commission, through its office, is responsible for the following:
 - (1) Compiling the commission budget.
 - (2) The fiscal performance of the commission.
 - (3) Management and administrative performance of the commission.

SECTION 8. IC 4-15-2-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.5. "Commission" means the state employees and educators appeals commission created by IC 4-15-1.5.

SECTION 9. IC 4-15-2-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 35. Any (a) A regular employee may file a complaint if his the employee's status of employment is involuntarily changed or if he the employee deems conditions of employment to be unsatisfactory. However, the complaint procedure shall be initiated as soon as possible after the occurrence of the act or condition complained of and in no event shall be initiated more than thirty (30) calendar days after the employee is notified of a change in his the employee's status of employment or after an unsatisfactory condition of employment is created. Failure to initiate the complaint procedure within such time period shall render the complaint procedure unavailable to the employee. The following complaint procedure shall be followed:

Step I: The complaint procedure shall be initiated by a discussion of the complaint by the employee and his the employee's immediate supervisor and, if a mutually satisfactory settlement has not been made within two (2) consecutive working days, such the complaint may be shall be reduced to writing and referred to Step II.

Step II: The complaint shall be reduced to writing and presented to the intermediate supervisor. If a mutually satisfactory settlement has not been reached within four (4) consecutive working days, such complaint may then be referred to the appointing authority.

Step III: The appointing authority or his the appointing authority's

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designated representative shall hold such hearings and conduct such investigations as he the appointing authority deems necessary to come to a mutually satisfactory settlement or render a decision and shall make such a decision in writing within ten (10) consecutive working days.

Should After ten (10) consecutive working days, if:

- (1) the appointing authority or his the appointing authority's designated representative has not find found in favor of the employee; the complaint may be submitted within fifteen (15) calendar days to the state personnel director. The director or his designee shall review the complaint and render a decision within fifteen (15) calendar days. If the decision is not agreeable to the employee,
- (2) a settlement has not been reached; or
- (3) a decision has not been made by the appointing authority or designated representative of the appointing authority;

notice must be given to the employee by the appointing authority of the status of the complaint. Upon receipt of the notice by the employee, an appeal may then be submitted referred by the employee in writing to the commission no later than fifteen (15) calendar consecutive working days from the date the employee has been given notice. of the action taken by the personnel director or his designee. After submission of the appeal, the commission shall, prior to rendering its decision, grant the appealing employee and the appointing authority a public hearing, with the right to be represented and to present evidence. With respect to all appeals, the commission shall render its decision within thirty (30) days after the date of the hearing on the appeal. If the commission finds that the action against the employee was taken on the basis of politics, religion, sex, age, race or because of membership in an employee organization, the employee shall be reinstated to his the employee's position without loss of pay. In all other cases the appointing authority shall follow the recommendation decision of the commission which may include reinstatement and payment of salary or wages lost by the employee which may be mitigated by any wages the employee earned from other employment during a dismissed or suspended period. Final orders of the commission are mandatory and not appealable except as provided under IC 4-15-2-35.

If the recommendation of the commission is not agreeable to the employee, the employee, within fifteen (15) calendar days from receipt of the commission recommendation, decision, may elect to submit the complaint to arbitration. The cost of arbitration shall be shared equally by the employer and the employee and the state of Indiana. The commissioner of labor shall prepare a list of three (3) impartial individuals trained in labor relations, and from this list each party shall strike one (1) name. The remaining arbitrator shall consider the issues which were presented to the commission and shall afford the parties a

public hearing with the right to be represented and to present evidence. The arbitrator's findings and recommendations shall be binding on both parties and shall immediately be instituted by the commission. or the employee's representative. If the employee elects to submit the complaint to arbitration, an arbitrator must be selected from:

- (1) the American Arbitration Association; or
- (2) the Federal Mediation and Conciliation Service, if an arbitrator is not available from the American Arbitration Association;

according to selection procedures established by the arbitrator's association or service. The decision of the arbitrator is final and binding, subject to the Uniform Arbitration Act.

(b) An employee who files a complaint under subsection (a) may choose a representative who is inside or outside the employee's agency or facility to represent the employee throughout the complaint procedure.".

Page 2, between lines 22 and 23, begin a new paragraph and insert: "SECTION 11. IC 5-10-8-6.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.5. (a) A member of the general assembly may elect to participate in either:

- (1) the plan of self-insurance established by the state police department under section 6 of this chapter;
- (2) the plan of self-insurance established by the state personnel department under section 7 of this chapter; or
- (3) a prepaid health care delivery plan established under section 7 of this chapter.
- (b) A former member of the general assembly who meets the criteria for participation in a group health insurance program provided under section 8(e) section 8 or 8.1 of this chapter may elect to participate in either:
 - (1) the plan of self-insurance established by the state police department under section 6 of this chapter; or
 - (2) a group health insurance program provided under section 8(e) section 8 or 8.1 of this chapter.
- (c) A member of the general assembly or former member of the general assembly who chooses a plan described in subsection (a)(1) or (b)(1) shall pay any amount of both the employer and the employee share of the cost of the coverage that exceeds the cost of the coverage under the new traditional plan.

SECTION 12. IC 5-10-8-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) This section applies only to the state and employees who are not covered by a plan established under section 6 of this chapter.

- (b) After June 30, 1986, Except as provided in subsection (k), the state shall provide a group health insurance plan to each retired employee:
 - (1) whose retirement date is:

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1	(A) after June 29, 1986, for a retired employee who was a
2	member of the field examiners' retirement fund;
3	(B) after May 31, 1986, for a retired employee who was a
4	member of the Indiana state teachers' retirement fund; or
5	(C) after June 30, 1986, for a retired employee not covered by
6	clause (A) or (B);
7	(2) who will have reached fifty-five (55) years of age on or before
8	the employee's retirement date but who will not be eligible on that
9	date for Medicare coverage as prescribed by 42 U.S.C. 1395 et
0	seq.; and
1	(3) who will have completed:
2	(A) before January 1, 2006, twenty (20) years; or
3	(B) after December 31, 2005, fifteen (15) years;
4	of creditable employment with a public employer on or before the
5	employee's retirement date, ten (10) years of which shall have
6	been completed immediately preceding the retirement. and
7	(4) who will have completed at least fifteen (15) years of
8	participation in the retirement plan of which the employee is a
9	member on or before the employee's retirement date.
20	(c) The state shall provide a group health insurance program to each
21	retired employee:
22	(1) who is a retired judge;
23	(2) whose retirement date is after June 30, 1990;
24	(3) who is at least sixty-two (62) years of age;
2.5	(4) who is not eligible for Medicare coverage as prescribed by 42
26	U.S.C. 1395 et seq.; and
27	(5) who has at least eight (8) years of service credit as a
28	participant in the Indiana judges' retirement fund, with at least
29	eight (8) years of that service credit completed immediately
0	preceding the judge's retirement.
1	(d) The state shall provide a group health insurance program to each
52	retired employee:
3	(1) who is a retired participant under the prosecuting attorneys
4	retirement fund;
5	(2) whose retirement date is after January 1, 1990;
6	(3) who is at least sixty-two (62) years of age;
7	(4) who is not eligible for Medicare coverage as prescribed by 42
8	U.S.C. 1395 et seq.; and
9	(5) who has at least ten (10) years of service credit as a participant
0	in the prosecuting attorneys retirement fund, with at least ten (10)
1	years of that service credit completed immediately preceding the
12	participant's retirement.
3	(e) The state shall make available a group health insurance program
4	to each former member of the general assembly or surviving spouse of
15	each former member, if the former member:
6	(1) is no longer a member of the general assembly;
17	(2) is not eligible for Medicare coverage as prescribed by 42

- U.S.C. 1395 et seq. or, in the case of a surviving spouse, the surviving spouse is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and
- (3) has at least ten (10) years of service credit as a member in the general assembly.

A former member or surviving spouse of a former member who obtains insurance under this section is responsible for paying both the employer and the employee share of the cost of the coverage.

- (f) The group health insurance program required under subsections (b) through (e) and subsection (k) must be equal to that offered active employees. The retired employee may participate in the group health insurance program if the retired employee pays an amount equal to the employer's and the employee's premium for the group health insurance for an active employee and if the retired employee within ninety (90) days after the employee's retirement date files a written request for insurance coverage with the employer. However, the employer may elect to pay any part of the retired employee's premium with respect to insurance coverage under this chapter.
- (g) Except as provided in subsection (j), a retired employee's eligibility to continue insurance under this section ends when the employee becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq., or when the employer terminates the health insurance program. A retired employee who is eligible for insurance coverage under this section may elect to have the employee's spouse covered under the health insurance program at the time the employee retires. If a retired employee's spouse pays the amount the retired employee would have been required to pay for coverage selected by the spouse, the spouse's subsequent eligibility to continue insurance under this section is not affected by the death of the retired employee. The surviving spouse's eligibility ends on the earliest of the following:
 - (1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.
 - (2) When the employer terminates the health insurance program.
 - (3) Two (2) years after the date of the employee's death.
 - (4) The date of the spouse's remarriage.
- (h) This subsection does not apply to an employee who is entitled to group insurance coverage under IC 20-6.1-6-1(c). An employee who is on leave without pay is entitled to participate for ninety (90) days in any health insurance program maintained by the employer for active employees if the employee pays an amount equal to the total of the employer's and the employee's premiums for the insurance.
- (i) An employer may provide group health insurance for retired employees or their spouses not covered by this section and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by this section. A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by

1 subsection (h). 2 (j) An employer may elect to permit former employees and their 3 spouses, including surviving spouses, to continue to participate in a 4 group health insurance program under this chapter after the former 5 employee (who is otherwise qualified under this chapter to participate 6 in a group insurance program) or spouse has become eligible for 7 Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. 8 An employer who makes an election under this section may require a 9 person who continues coverage under this subsection to participate in 10 a retiree health benefit plan developed under section 8.3 of this chapter. 11 (k) The state shall provide a group health insurance program to 12 each retired employee: 13 (1) who was employed as a teacher in a state institution under: 14 (A) IC 11-10-5; 15 (B) IC 12-24-3; 16 (C) IC 16-33-3; 17 (D) IC 16-33-4; 18 (E) IC 20-15; or 19 (F) IC 20-16; 20 (2) who is at least fifty-five (55) years of age on or before the 21 employee's retirement date; 22 (3) who is not eligible for Medicare coverage as prescribed by 23 42 U.S.C. 1395 et seq.; and 24 (4) who: 25 (A) has at least fifteen (15) years of service credit as a 26 participant in the retirement fund of which the employee 27 is a member on or before the employee's retirement date; 28 29 (B) completes at least ten (10) years of service credit as a 30 participant in the retirement fund of which the employee 31 is a member immediately before the employee's 32 retirement.". Page 17, between lines 8 and 9, begin a new paragraph and insert: 33 "SECTION 14. IC 20-7.5-1-2 IS AMENDED TO READ AS 34 35 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this 36 37 (a) "School corporation" means any local public school corporation established under Indiana law and, in the case of public vocational 38 39 schools or schools for children with disabilities established or 40 maintained by two (2) or more school corporations, shall refer to such 41 schools. 42 (b) "Governing body" means: (1) the board or commission charged by law with the 43 44 responsibility of administering the affairs of the school 45 corporation; or (2) the body that administers a charter school established under 46

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IC 20-5.5.

1	(c) "School employer" means:
2	(1) the governing body of each:
3	(A) school corporation; or
4	(B) charter school established under IC 20-5.5; and
5	(2) any person or persons authorized to act for the governing body
6	of the school employer in dealing with its employees.
7	(d) "Superintendent" shall mean:
8	(1) the chief administrative officer of any:
9	(A) school corporation; or
10	(B) charter school established under IC 20-5.5; or
11	(2) any person or persons designated by the officer or by the
12	governing body to act in the officer's behalf in dealing with school
13	employees.
14	(e) "School employee" means any full-time certificated person in the
15	employment of the school employer. A school employee shall be
16	considered full time even though the employee does not work during
17	school vacation periods, and accordingly works less than a full year.
18	There shall be excluded from the meaning of school employee
19	supervisors, confidential employees, employees performing security
20	work and noncertificated employees.
21	(f) "Certificated employee" means a person:
22	(1) whose contract with the school corporation requires that the
23	person hold a license or permit from the state board of education
24	or a commission thereof as provided in IC 20-6.1; or
25	(2) who is employed as a teacher by a charter school established
26	under IC 20-5.5.
27	(g) "Noncertificated employee" means any school employee whose
28	employment is not dependent upon the holding of a license or permit
29	as provided in IC 20-6.1.
30	(h) "Supervisor" means any individual who has:
31	(1) authority, acting for the school corporation, to hire, transfer,
32	suspend, lay off, recall, promote, discharge, assign, reward, or
33	discipline school employees;
34	(2) responsibility to direct school employees and adjust their
35	grievances; or
36	(3) responsibility to effectively recommend the action described
37	in subdivisions (1) through (2);
38	that is not of a merely routine or clerical nature but requires the use of
39	independent judgment. The term includes superintendents, assistant
10	superintendents, business managers and supervisors, directors with
11	school corporation-wide responsibilities, principals and vice principals,
12	and department heads who have responsibility for evaluating teachers.
13	(i) "Confidential employee" means a school employee whose
14	unrestricted access to confidential personnel files or whose functional
15	responsibilities or knowledge in connection with the issues involved in
16	dealings between the school corporation and its employees would make

the confidential employee's membership in a school employee

organization incompatible with the employee's official duties.

- (j) "Employees performing security work" means any school employee whose primary responsibility is the protection of personal and real property owned or leased by the school corporation or who performs police or quasi-police powers.
- (k) "School employee organization" means any organization which has school employees as members and one (1) of whose primary purposes is representing school employees in dealing with their school employer, and includes any person or persons authorized to act on behalf of such organizations.
- (l) "Exclusive representative" means the school employee organization which has been certified for the purposes of this chapter by the board or recognized by a school employer as the exclusive representative of the employees in an appropriate unit as provided in section 10 of this chapter, or the person or persons duly authorized to act on behalf of such representative.
- (m) "Board" means refers to the Indiana education employment relations board provided by this chapter, state employees and educators appeals commission created by IC 4-15-1.5-1.
- (n) "Bargain collectively" means the performance of the mutual obligation of the school employer and the exclusive representative to meet at reasonable times to negotiate in good faith with respect to items enumerated in section 4 of this chapter and to execute a written contract incorporating any agreement relating to such matters. Such obligation shall not include the final approval of any contract concerning these or any other items. Agreements reached through collective bargaining are binding as a contract only if ratified by the governing body of the school corporation and the exclusive representative. The obligation to bargain collectively does not require the school employer or the exclusive representative to agree to a proposal of the other or to make a concession to the other.
- (o) "Discuss" means the performance of the mutual obligation of the school corporation through its superintendent and the exclusive representative to meet at reasonable times to discuss, to provide meaningful input, to exchange points of view, with respect to items enumerated in section 5 of this chapter. This obligation shall not, however, require either party to enter into a contract, to agree to a proposal, or to require the making of a concession. A failure to reach an agreement on any matter of discussion shall not require the use of any part of the impasse procedure, as provided in section 13 of this chapter. Neither the obligation to bargain collectively nor to discuss any matter shall prevent any school employee from petitioning the school employer, the governing body, or the superintendent for a redress of the employee's grievances either individually or through the exclusive representative, nor shall either such obligation prevent the school employer or the superintendent from conferring with any citizen, taxpayer, student, school employee, or other person considering the

operation of the schools and the school corporation.
(p) "Strike" means concerted failure to report for duty, willful
absence from one's position, stoppage of work, or abstinence in whole
or in part from the full, faithful, and proper performance of the duties
of employment, without the lawful approval of the school employer, or
in any concerted manner interfering with the operation of the school
employer for any purpose.
(q) "Deficit financing" with respect to any budget year shall mean
expenditures in excess of money legally available to the employer.
SECTION 15. IC 20-7.5-1-9 IS REPEALED [EFFECTIVE JULY
1, 2005].".
Renumber all SECTIONS consecutively.
(Reference is to HB 1007 as printed February 9, 2005.)
Representative Budak